

Message Text

CONFIDENTIAL

PAGE 01 KUALA 04486 01 OF 03 160718Z
ACTION PM-04

INFO OCT-01 EA-07 ISO-00 CIAE-00 DODE-00 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
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R 150620Z JUL 77
FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC 7947
INFO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY MANILA
AMEMBASSY SINGAPORE
CINCPAC HONOLULU

C O N F I D E N T I A L SECTION 1 OF 3 KUALA LUMPUR 4486

CINCPAC FOR POLAD

E.O.11652: GDS
TAGS: MASS, MY
SUBJECT: FY 79 U.S. SECURITY ASSISTANCE - MALAYSIA

REF: STATE 133136

FMS PROGRAM JUSTIFICATION

1. SUMMARY. THIS MESSAGE PROVIDES THE ASSESSMENT AND JUSTIFICATION FOR U.S. SECURITY PROGRAMS IN MALAYSIA REQUESTED IN REFTEL. IT NOTES THAT OUR SMALL IMET AND FMS CREDIT PROGRAMS ARE IMPORTANT SUPPORTIVE ELEMENTS FOR MALAYSIA'S EFFORT TO PROMOTE, WITH ITS ASEAN PARTNERS, STABILITY IN THE REGION AND TO PRESERVE ITS NON-COMMUNIST ORIENTATION. ON THE OTHER HAND, IF THE U.S. CANCELS THESE PROGRAMS FEARS OF A U.S. WITHDRAWAL FROM THE REGION WOULD BE REAWAKENED AND THE FAVORABLE IMPACT MADE BY SECRETARY VANCE IN HIS JUNE 29 SPEECH TO THE ASIA SOCIETY
CONFIDENTIAL

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PAGE 02 KUALA 04486 01 OF 03 160718Z

WOULD BE UNDERMINED. THE AMBASSADOR STRONGLY URGES, THEREFORE, THAT FMS CREDITS BE CONTINUED IN THE \$20 MILLION RANGE AND THAT THE USG LOOK SYMPATHETICALLY ON MALAYSIAN REQUESTS TO PURCHASE CONVENTIONAL WEAPONS BECAUSE TO DO OTHERWISE WOULD RAISE QUESTIONS WHTHER OUR DEEDS MATCH OUR WORDS. END SUMMARY.

2. INTERESTS AND OBJECTIVES. MALAYSIA IS A NON-ALIGNED, NON-

COMMUNIST COUNTRY WHICH FOLLOWS MODERATE DOMESTIC AND FOREIGN POLICIES. THROUGH A COMBINATION OF GOOD LUCK AND GOOD MANAGEMENT IT HAS DRAWN FROM ITS COLONIAL PAST A FUNCTIONING PARLIAMENTARY SYSTEM OF GOVERNMENT AND AN EXPANDING ECONOMY WHICH COMPARE VERY FAVORABLY WITH OTHER DEVELOPING COUNTRIES IN THE REGION AND ELSEWHERE. MALAYSIA DOES NOT SEEK TO COMPETE MILITARILY WITH ITS NEIGHBORS, WITH ALL OF WHICH IT HAS FRIENDLY RELATIONS, AND HAS BEEN IN THE FOREFRONT OF AN EFFORT TO DEVELOP, THROUGH THE ASSOCIATION OF SOUTHEAST ASIAN NATIONS (ASEAN), A STABLE SITUATION IN THE AREA. THIS EFFORT HAS INCLUDED, DESPITE MALAYSIA'S LONGSTANDING DOMESTIC COMMUNIST INSURGENCY, CONCILIATORY MOVES TOWARD VIETNAM AND THE OTHER COMMUNIST COUNTRIES OF INDOCHINA IN AN ATTEMPT TO ATTENUATE ANY AGGRESSIVE IMPLUSES THESE COUNTRIES MIGHT HAVE.

AMERICAN INTERESTS IN MALAYSIA AND THE ASEAN REGION, WHICH ARE GENERALLY SET FORTH IN THE SECRETARY'S JUNE 29 ASIA SOCIETY SPEECH, ARE SERVED BY THE EFFORTS OF MALAYSIA AND ITS ASEAN PARTNERS TO PROMOTE REGIONAL STABILITY, TO PRESERVE THE NON-COMMUNIST ORIENTATION OF THE REGION, AND TO DEVELOP THEIR ECONOMIES. IN TURN, MALAYSIA IS FOR US AN IMPORTANT SOURCE OF NATURAL RUBBER, TIN AND PETROLEUM: IT IS EQUALLY IMPORTANT TO OUR EFFORTS TO PRESERVE FREE PASSAGE THROUGH THE STRAITS OF MALACCA. STRONG EVIDENCE OF CONTINUED AMERICAN INTEREST AND INVOLVEMENT IN THE REGION IS OF KEY IMPORTANCE TO MALAYSIA AND ITS PARTNERS. MOST OF THIS
CONFIDENTIAL

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PAGE 03 KUALA 04486 01 OF 03 160718Z

INTEREST AND INVOLVEMENT CAN BE, AND IS BEING, SHOWN IN THE ECONOMIC AREA. BUT OUR SMALL SECURITY ASSISTANCE PROGRAM, WHICH CONSISTS OF IMET (\$500,000 IN FY 78) AND FMS CREDIT PURCHASES (\$20 MILLION IN FY 78), IS AN IMPORTANT SUPPORTIVE ELEMENT OF THESE INTERESTS, AS WELL AS IMPORTANT EVIDENCE OF THE ADMINISTRATION'S DETERMINATION TO REMAIN A SIGNIFICANT INFLUENCE IN EAST ASIA. FOR THE U.S. TO CEASE ITS SMALL FMS PROGRAM IN MALAYSIA WOULD ONLY RENEW FEARS EXPRESSED BY COUNTRIES LIKE MALAYSIA THAT THE U.S. IS WITHDRAWING FROM THE REGION, THUS UNDERMINING THE FAVORABLE IMPACT OF THE SECRETARY'S JUNE 29 SPEECH.

3. SPECIFIC COMMENTS.

(A) THREAT-MALAYSIAN HAS HAD TO CONTEND WITH AN ORGANIZED ATTEMPT BY THE (MAINLY CHINESE) COMMUNIST PARTY OF MALAYA TO GAIN CONTROL OF THE GOVERNMENT SINCE 1948, NINE YEARS BEFORE INDEPENDENCE. THIS INSURGENCY, WHICH HAS HAD ITS UPS AND DOWNS, AT PRESENT IS UNDER CONTROL, BUT THE GOM FEARS THAT IF EXTERNAL FINANCIAL ASSISTANCE AND/OR MANPOWER WERE GIVEN TO THE CPM BY THE PRC OR VIETNAM THAT THE PROBLEM COULD QUICKLY REACH CRITICAL PROPORTIONS. THE PERCEIVED THREAT, THEREFORE,

IS TWO-FOLD AND DIFFERENT STRATEGIES ARE FOLLOWED FOR EACH. WITH REGARD TO THE DOMESTIC INSURGENCY, THE GOM IS FOLLOWING A SUCCESSFUL POLICY OF PURSUING AND DISRUPTING CPM UNDERGROUND AND ARMED TERRORIST (CT) ELEMENTS BOTH IN MALAYSIA AND IN THEIR SANCTUARIES JUST ACROSS THE BORDER IN THAILAND. IN CONJUNCTION WITH THIS POLICY, ARMED FORCES, POLICE AND RESERVE UNITS ARE BEING INCREASED AND MODERNIZED AND THE CIVILIAN POPULATION HAS BEEN MOBILIZED IN HOME GUARD (RUKUN TETANGGA) AND VILILANTE (RELA) UNITS.

MINDEF IS ALSO PLANNING TO TAKE STEPS TO DEVELOP AT LEAST SOME DEFENSIVE CAPABILITY TO REPEL EXTERNAL ATTACK WHICH MOST MALAYSIAN LEADERS EXPECT WOULD COME FROM VIETNAM VIA THAILAND. IT HOPES TO RECEIVE SOME DIRECT ASSISTANCE FROM INDONESIA
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 KUALA 04486 01 OF 03 160718Z

IF INVASION THREATENS FROM THE NORTH. IT IS QUITE REALISTIC, HOWEVER, REGARDING THE MODEST STEPS THAT ARE POSSIBLE IN THIS DIRECTION, AND THE MAIN EMPHASIS OF THE PRESENT PRIME MINISTER AND HIS CABINET IS ON A CONCILIATORY FOREIGN POLICY WHICH SEEKS TO CONVINCE THE VIETNAMESE THAT IT IS IN THEIR INTEREST TO COOPERATE ECONOMICALLY AND (POSSIBLY) POLITICALLY WITH THE FIVE NON-COMMUNIST ASEAN STATES OF THE REGION. MALAYSIA, ALTHOUGH WORRIED BY CONTINUED PRC PROPAGANDA SUPPORT FOR THE CPM, ALSO SEEKS TO PLACATE CHINA IN AN EFFORT TO TURN PEKING AWAY FROM ASSISTANCE TO THE LOCAL COMMUNISTS. IN THIS REGARD, THE GOM HAS TAKEN A LESS FRIENDLY ATTITUDE TOWARD THE USSR, WHOSE ATTEMPTS TO WIN OVER LOCAL POLITICAL GROUPS THE MALAYSIANS FEAR WILL ANTAGONIZE PEKING.

WHILE THE IMMEDIATE REALITY OF THE VIETNAMESE THREAT MAY BE QUESTIONED, IT IS ACCEPTED BY MOST MALAYSIAN LEADERS. IN ANY CASE, THE MEASURED AND MODEST INCREASES IN THE ARMED FORCES PROJECTED FOR THE NEXT SEVERAL YEARS AND THE CONCILIATORY POLICY TOWARD HANOI AND PEKING REFLECT A PRAGMATIC OUTLOOK WHICH COMPLEMENTS AMERICA'S OWN ACTIVITIES IN THE AREA.

CONFIDENTIAL

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PAGE 01 KUALA 04486 02 OF 03 150839Z
ACTION PM-04

INFO OCT-01 EA-07 ISO-00 CIAE-00 DODE-00 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
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CINCPAC HONOLULU

C O N F I D E N T I A L SECTION 2 OF 3 KUALA LUMPUR 4486

CINCPAC FOR POLAD

(B) JUSTIFICATION FOR ASSISTANCE - AS NOTED ABOVE, A DOMESTIC COMMUNIST THREAT TO THE STABILITY OF THE COUNTRY HAS EXISTED FOR MANY YEARS. THIS THREAT HAS RAMIFICATIONS OVER THE BORDER IN THAILAND AND IS RECEIVING AT LEAST VERBAL SUPPORT FROM PEKING. WHILE THERE IS NO EVIDENCE YET OF VIETNAMESE ASSISTANCE TO THE CPM OR ANY OF ITS FACTIONS, THERE IS A VAGUE LINK TO HANOI THROUGH CPM-REVOLUTIONARY FACTION COOPERATION WITH THE THAI COMMUNIST PARTY (CPT), THE EXISTENCE OF WHICH HAS BEEN DOCUMENTED. THEREFORE, MALAYSIA'S PLANS TO EXPAND ITS ARMED FORCES AND TO PROCURE MORE UP-TO-DATE CONVENTIONAL WEAPONRY ARE, IN THIS EMBASSY'S VIEW, QUITE JUSTIFIED. ALTHOUGH MALAYSIANS CURRENTLY MAINTAIN PERHAPS THEIR CLOSEST BILATERAL RELATIONSHIP WITH INDONESIA, THEY SOMETIMES WORRY THAT A HIGHLY NATIONALISTIC, EXPANSIONIST REGIME MIGHT REPLACE THAT OF PRESIDENT SUHARTO, RESULTING IN A RENEWAL OF THE 1963-66 "CONFRONTATION." THEY DO NOT PERCEIVE A THREAT FROM SINGAPORE.

CONFIDENTIAL

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PAGE 02 KUALA 04486 02 OF 03 150839Z

(C) THE MALAYSIAN GOVERNMENT CURRENTLY MAINTAINS AN ARMY OF 54,000 (INCLUDING 2,700 TERRITORIAL RESERVES), AN AIR FORCE OF 5,000 MEN (MANNING, AMONG OTHER UNITS, ONE SQUADRON OF T-5E FIGHTERS, ONE SQUADRON OF C-130 TRANSPORTS, AND FOUR HELIO SQUADRONS-COMPOSITE ALLOUETTE AND SIKORSKY S-61), AND A NAVY OF 5,000 MEN (MANNING MAINLY SMALL PATROL BOATS AND LANDING CRAFT). IT ALSO HAS 50,000 POLICE, OF WHICH 14,800 ARE ORGANIZED INTO THE PARA-MILITARY FIELD FORCE. THE MAIN FOCUS OF THESE UNITS IS INTERNAL SECURITY, PARTICULARLY SUPPRESSION OF THE CPM INSURGENCY. THE GOM PLANS TO INCREASE THE ARMY BY 11,000 MEN AND THE POLICE BY 10,000 MEN OVER THE NEXT TWO TO THREE YEARS. THESE PROJECTED FORCE LEVELS ARE MODEST CONSIDERING THE COUNTRY'S SIZE AND POPULATION. UNLESS A MAJOR EMERGENCY

OCCURS, THE PRESENT GOVERNMENT WOULD STRONGLY RESIST DIVERTING ADDITIONAL MANPOWER FROM ECONOMIC DEVELOPMENT TO THE SECURITY FORCES. GOM SECURITY FORCES ARE EQUIPPED WITH WHAT AMOUNT TO CIRCA 1970 CONVENTIONAL WEAPONRY. THE GOVERNMENT HAS NOT, FOR EXAMPLE, ATTEMPTED TO MATCH NEIGHBORING SINGAPORE'S ATTACK BOMBER OR DEFENSIVE MISSILE STRENGTH. IT IS DIFFICULT, THEREFORE, TO IMAGINE A LESS COSTLY ALTERNATIVE TO THE PRESENT MILITARY ORGANIZATION OR FORCE LEVELS THAT WILL MEET PRESENT NEEDS.

(D) FUTURE PURCHASES-GOM WILL WANT TO CONTINUE IMET TRAINING IN FY 79 AT PRESENT LEVELS. A NUMBER OF EQUIPMENT ORDERS MAY ALSO BE INITIATED. JUSTIFICATION FOR CONTINUED FUNDING OF TRAINING IN THE U.S. RESTS ON THE GENERAL ARGUMENTS ABOVE AND ON THE FACT THAT MALAYSIA IS SHIFTING FROM A TOTAL EMPHASIS ON BRITISH PRACTICES TO ACCEPTANCE OF AMERICAN DOCTRINE IN MANY MILITARY FIELDS OF SPECIALIZATION. THIS SHIFT IS SLOWLY BRINGING GOM MILITARY THINKING AND PRACTICE INTO LINE WITH THOSE OF ITS NEIGHBORS AND ALLIES LIKE THAILAND AND INDONESIA, WHO HAVE LONGER CONNECTIONS WITH U.S. SECURITY ASSISTANCE. THE RESULTANT
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 KUALA 04486 02 OF 03 150839Z

STANDARDIZATION FACILITATES JOINT EXERCISES AND PLANNING WITH ITS NEIGHBORS, THEREBY MAKING MALAYSIA BETTER ABLE TO DEFEND ITSELF IN THE EVENT OF AN EXTERNAL ATTACK. EQUIPMENT PURCHASES THAT MAY BE EXPECTED ARE:

(A) FIVE F-5F FIGHTER/TRAINERS TO REPLACE TWO F-5B AIRCRAFT (FMS FINANCING). THE F-5F IS A TWO-SEATER COMPANION TO THE F-5E WITH WHICH IT IS VIRTUALLY IDENTICAL. PURCHASES OF THE "F" WILL ALLOW MORE REASONABLE AND REALISTIC LEVELS OF TRAINING THAN CAN BE ACCOMPLISHED WITH TWO "B'S," AFFORDS SOME COMBAT CAPABILITY, AND SIMPLIFIES MAINTENANCE. AN ALTERNATIVE IS NOT AVAILABLE FROM OTHER COUNTRIES. THE PURCHASE WOULD NOT STRAIN MALAYSIAN FINANCIAL CAPABILITIES NOR WOULD IT UNBALANCE THE RELATIONSHIP BETWEEN MALAYSIA AND ITS NEIGHBORS.

(B) THIRTY-FIVE TO ONE HUNDRED M113 ARMORED PERSONNEL CARRIERS (FMS FINANCING). THE ROYAL MALAYSIAN ARMY IS CONSIDERING THE M 113 BECAUSE IT WOULD GIVE GREATER FLEXIBILITY TO TROOPS PATROLING OR ENTERING INSURGENT AREAS THAN THE ARMORED CARS USED AT PRESENT, WHILE AT THE SAME TIME AUGMENTING THE RMA'S ABILITY TO DEFEND AGAINST EXTERNAL ATTACK. SINGAPORE IS BUYING OVER 200 M 113'S AND MANY ARE IN USE IN THAILAND; THEREFORE, SUCH A PURCHASE WOULD NOT DISTURB THE LOCAL BALANCE. U.S. HAS ALREADY REFUSED PERMISSION FOR PURCHASE OF A LICENSE-BUILT M 113 FROM ITALY; THEREFORE, WHILE ALTERNATIVES ARE AVAILABLE FROM WESTERN EUROPE AND THE COMMUNIST COUNTRIES, REFUSAL OF A REQUEST FOR THIS SALE WOULD NOT BE UNDERSTOOD BY THE GOM.

(C) TWENTY-FIVE T-34C PROPELLOR-DRIVEN TRANSITION TRAINER AIRCRAFT (COMMERCIAL PURCHASE). RMAF PILOTS CURRENTLY MOVE DIRECTLY FROM THE BRITISH BULLDOG PRIMARY TRAINER TO THE CANADIAN JET "TEBUAN." THE T-34C WOULD PERMIT PILOTS TO MAKE THIS TRANSITION IN AN AIRCRAFT WHICH FILLS THE GAP BETWEEN THE TWO EXTREMES. THIS PURCHASE WOULD NOT AFFECT THE REGIONAL ARMS BALANCE. A NUMBER OF ALTERNATIVES ARE AVAILABLE FROM OTHER SOURCES.

CONFIDENTIAL

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PAGE 04 KUALA 04486 02 OF 03 150839Z

(D) EIGHTEEN 105MM AND 155 MM HOWITZERS (FMS FINANCING). THESE WOULD BE UTILIZED TO ORGANIZE AN ADDITIONAL ARTILLERY REGIMENT AND TO ADD A MEDIJM-RANGE CAPABILITY WHICH THE PRESENT ARTILLERY REGIMENTS DO NOT HAVE. SIMILAR PIECES COULD BE PROCURRED FROM OTHER SOURCES AND, IN FACT, THE GOM IS CONSIDERING ALTERNATIVE SUPPLIERS.

(E) FINANCIAL IMPACT - MALAYSIA IS ONE OF THE MOST PROSPEROUS OF DEVELOPING COUNTRIES. ITS ECONOMY EXPERIENCED A GROWTH RATE OF 11 PERCENT IN REAL TERMS IN 1976 AND THIS TREND IS EXPECTED TO CONTINUE THROUGH 1977. FOREIGN CURRENCY RESERVES ARE HIGH AND INFLATION HAS BEEN KEPT IN CHECK. DEFENSE EXPENDITURES AMOUNTED TO US\$177 MILLION IN CALENDAR 1977 AND US\$200 MILLION IN 1976, BOTH OF WHICH REPRESENTED 8 PERCENT OF THE CONSOLIDATED GOM BUDGET. THE MODEST LEVEL OF PURCHASES OUTLINED ABOVE WOULD NOT, THEREFORE, HAVE ANY UNDESIRABLE FINANCIAL IMPACT.

(F) U.S. PERSONNEL LEVELS - IT IS NOT ANTICIPATED THAT THE PURCHASES LISTED IN (D) ABOVE, WHEN TAKEN WITH MATERIAL ALREADY RECEIVED FROM THE U.S. UNDER BOTH FMS FINANCING AND COMMERCIAL PURCHASES, WILL RESULT IN THE PRESENCE OF MORE THAN TEN CONTRACTOR OR OTHER ANCILLARY PERSONNEL. NO PROBLEMS ARE ANTICIPATED FROM THE PRESENCE OF SO FEW ADDITIONAL AMERICANS IN MALAYSIA.

(G) ALTERNATIVE SOURCES - MALAYSIA IS COMMITTED TO THE F-5E PROGRAM; THEREFORE, IT IS NOT LIKELY THAT SHE WILL LOOK ESEWHERE FOR OTHER FIGHTER AIRCRAFT WITHIN THE NEXT THREE TO FIVE YEARS. AS NOTED ABOVE, APC'S AND AN INTERMEDIATE TRAINER COULD BE FOUND ELSEWHERE AS COULD, PRESUMABLY, ADDITIONAL MEDIUM ARTILLERY IF THE RMA IS WILLING TO ACCEPT THE PROBLEMS OF A LACK OF STANDARDIZATION.

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PAGE 05 KUALA 04486 02 OF 03 150839Z

CONFIDENTIAL

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PAGE 01 KUALA 04486 03 OF 03 150837Z
ACTION PM-04

INFO OCT-01 EA-07 ISO-00 CIAE-00 DODE-00 H-01 INR-07
L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
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CINCPAC HONOLULU

C O N F I D E N T I A L SECTION 3 OF 3 KUALA LUMPUR 4486

CINCPAC FOR POLAD

(H) ARMS CONTROL IMPACT - NONE OF THE WEAPONS CURRENTLY CON-
TEMPLATED OR USED BY THE MALAYSIAN ARMED FORCES HAS ANY ARMS
CONTROL IMPACT. MALAYSIA IS FRIENDLY WITH ALL ITS IMMEDIATE
NEIGHBORS, AND THESE COUNTRIES HAVE COMPARABLE LEVELS OF WEAPONRY.

(I) HUMAN RIGHTS - THERE HAVE BEEN NO SIGNIFICANT CHANGES IN
THE HUMAN RIGHTS SITUATION IN MALAYSIA SINCE SUBMISSION OF THE
FY 78 REPORT ON THIS COUNTRY. WE DO NOT BELIEVE SUCH CHANGES
WILL OCCUR IN THE NEAR FUTURE, ALTHOUGH IT IS POSSIBLE THAT THE
PRESENT LOW LEVEL OF INTEREST IN THE SITUATION MANIFESTED BY
SUCH ORGANIZATIONS AS AMNESTY INTERNATIONAL MAY INCREASE SLIGHTLY
OVER THE NEXT YEAR.

(J) COOPERATION IN RESTRAINT - MALAYSIA DOES NOT PRODUCE ANY
ARMAMENTS. ALL WEAPONS ASSEMBLED HERE (MAINLY M-16'S) ARE FOR
INTERNAL USE. THE EMBASSY DOES NOT KNOW OF ANY PLANS FOR WEAPONS
PRODUCTION FOR EXPORT AND DOUBTS WHETHER THIS WILL COME UP
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 KUALA 04486 03 OF 03 150837Z

WITHIN THE NEXT TWREE TO FIVE YEARS.

(K) IMET - THE SMALL GRANT TRAINING PROGRAM OFFERED TO MALAYSIA HAS BEEN RESPONSIBLE FOR SENDING ABOUT FIFTY TO SIXTY GOM DEFENSE SERVICES PERSONNEL TO THE U.S. ANNUALLY. OUR RECOMMENDATI
ON

IS THAT THIS PROGRAM BE CONTINUED ALONG TRADITIONAL LINES IN WHICH BOTH U.S. AND MALAYSIAN INTERESTS CONVERGE, SINCE THE PROGRAM SERVES TO UPGRADE THE QUALITY OF THE MALAYSIAN ARMED FORCES, AND FACILITATES COORDINATION WITH OTHER NON-COMMUNIST STATES IN THE REGION WHOSE ARMED FORCES RECEIVE SIMILAR TRAINING AND FOLLOW U.S. PATTERNS OF ORGANIZATION AND U.S. MILITARY DOCTRINE. PAST AND PROJECTED REQUESTS INCLUDE CAREER PROFESSIONAL, ADVANCED OFFICER, SPECIALIZED TECHNICAL, AND RESOURCE MANAGEMENT TRAINING PROGRAMS.

LITTLE EQUIPMENT-RELATED TRAINING HAS BEEN REQUESTED UNDER IMET, AND WHAT HAS BEEN HAS HAD LOW PRIORITY. THE GOM IS NOT LIKELY TO WILLINGLY ASSUME RESPONSIBILITY FOR TRAVEL AND/OR LIVING COSTS FOR IMET TRAINING ON AN ACROSS-THE-BOARD BASIS BECAUSE OF THE HIGH COST OF SUCH TRAINING IN THE U.S. AS COMPARED WITH TRAINING IN COMMONWEALTH ESTABLISHMENTS. IT WOULD, HOWEVER, FUND A CERTAIN NUMBER OF TRAINEES FOR COURSES IN SUBJECTS IN WHICH THE U.S. IS PRECEIVED TO BE THE LEADER.

4. COMMENT. AS NOTED IN THE EMBASSY'S PARM SUBMISSION (KL 1792), THE EXISTENCE OF MALAYSIA AS A STABLE, MODERATE AND REASONABLY DEMOCRATIC NON-COMMUNIST COUNTRY IN SOUTHEAST ASIA IS CONSISTENT WITH OUR GOAL OF A MORE ORDERLY, HUMANE AND SAFE WORLD. MALAYSIA'S POSITION ON THE MALACCA STRAITS AND ITS SUPPLIES OF BASIC RESOURCES ALSO MAKE CONTINUATION OF A MODERATE GOVERNMENT HERE IMPORTANT TO BOTH THE U.S. AND TO OUR ALLY JAPAN. THERE IS NO QUESTION THAT MALAYSIA IS FINANCIALLY ABLE TO OBTAIN AND PAY FOR MOST OF ITS ARMS AND TRAINING NEEDS THROUGH COMMERCIAL
CONFIDENTIAL

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PAGE 03 KUALA 04486 03 OF 03 150837Z

PURCHASES BOTH IN THE U.S. AND IN OTHER COUNTRIES. FURTHERMORE, AS A COUNTRY WHICH SEES ITS NON-ALIGNMENT AS KEY TO DEVELOPING A FRIENDLY RELATIONSHIP WITH THE INDOCHINA COUNTRIES AND THEREBY REINFORCING REGIONAL STABILITY, MALAYSIA HAS CAREFULLY AVOIDED AN INTIMATE SECURITY RELATIONSHIP WITH THE U.S. HOWEVER, IN 1975 THE THEN PRIME MINISTER DID COME TO US CONFIDENTIALLY FOR HELP IN MODERNIZING THEIR SECURITY LIHHCS, AND SINCE THAT TIME WE HAVE MADE FMS CREDITS AVAILABLE FOR PURCHASES OF CONVENTIONAL ARMS (MAINLY M-16'S). IN ADDITION, WE HAVE AUTHORIZED COMMERCIAL PURCHASES OF C-130'S AND S-61 TRANSPORT HELICOPTERS FOR USE IN SUPPLYING THE RELATIVELY SMALL ARMED FORCES OF THIS GEOGRAPHICALLY DISPERSED COUNTRY. THE FMS CREDITS AND THE PURCHASES FROM AMERICAN FIRMS HAVE, IN THE MALAYSIAN VIEW, GUARANTEED SUPPLY OF RELIABLE MILITARY EQUIPMENT BACKED BY U.S. DEFENSE DEPARTMENT ECHNICAL SUPPORT AND ABOIDED

PROBLEMS EXPERIENCED INBUYING FROM OTHER COUNTRIES.

THE GOM VALUES ITS U.S. CONNECTION FOR ITS RELIABILITY AND FOR THE IMPLIED PLEDGE OF CONTINUED INTEREST IN THE COUNTRY AND IN THE REGION. IT WOULD NOT UNDERSTAND A SUDDEN REFUSAL BY THE U.S. TO CONTINUE WITH THIS PRACTICAL AND REASSURING RELATIONSHIP, ALTHOUGH IT PROBABLY WOULD ACCEPT A REDUCTION IN THE LEVELS OF ASSISTANCE IF THESE WERE PRESENTED IN SUFFICIENT TIME TO PERMIT THEIR DIGESTION BY THE OFTTIMES SLOW-MOVING GOM BUREAUCRATIC APPARATUS. FOR MY PART, I CANNOT THINK OF ANOTHER COUNTRY THAT SO NEARLY COINCIDES WITH OUR CURRENT IDEAL OF MODERATION AND WILLINGNESS TO WORK FOR A REDUCTION IN TENSIONS IN THE REGION WHILE AT THE SAME TIME AVOIDING THE OLD PROBLEMS ARISING FROM TOO GRAT INTIMACY. I STRONGLY URGE, THEREFORE, THAT FMS CREDIT LEVELS FOR MALAYSIA BE CONTINUED IN THE US\$20 MILLION RANGE AND THAT THE U.S. GOVERNMENT LOOK SYMPATHETICALLY ON THE GOM'S REQUESTS FOR APPROVAL TO PURCHASE CONVENTIONAL WEAPONS TO MODERNIZE ITS ARMED FORCES. TO DO OTHERWISE WOULD BE INTERPRETED AS A SMALL, PRACTICAL SIGN THAT OUR DEEDS DO NOT MATCH OUR WORDS.

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PAGE 04 KUALA 04486 03 OF 03 150837Z

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